



## FROM THE OFFICE OF THE CITY MANAGER

December 7, 2011

To: Michigan Transportation Committee  
From: John Szerlag, City Manager  
Subject: Support for Proposed House Bill 4739

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I am John Szerlag, City Manager of Troy, Michigan. And after many years I have learned that once a community is known for being safe, all inclusive, and talented, the most important components of economic sustainability become infrastructure, and quality of life. House Bill 4739 will help maintain the infrastructure of communities across the state. The concept of this bill, developed by Representative Knollenberg and I, is simple; if the State of Michigan cannot afford a 20% local match for federal road monies, and a particular city can, then let that city pay for the match.

All things come to an end, and our current recession will be one of them. In fact, things are starting to turn around now. And potential businesses need assurances that they are in a sustainable environment; an assurance that is underpinned by a good local road network.

The Transportation Funding Taskforce (TF2) recommended that we need to at least double the current funding level to provide basic improvements of our road and bridge systems.

As it becomes increasingly difficult for MDOT to come up with its 20% match, less state money becomes available for state highway maintenance. In other words, as MDOT maintenance funds are reallocated to match federal funds, state highway maintenance suffers. Furthermore, matters are becoming worse, as MDOT is increasingly shifting funds from maintenance in order to have matching dollars for federal aid.

As you know, Michigan is already a donor state receiving approximately 91 cents per each dollar it sends to Washington. And losing federal funds due to the lack of a 20% match makes us even more of a donor state.

Local road reconstruction projects today take an average of 10 years to plan and build, due to a lack of funding. This timeframe should be from 3 to 5 years. As such, local

road maintenance funds are wasted on roads slated for federal funds to pay for reconstruction because those funds are not available.

Passage of this bill means that money, which would have been wasted on local road maintenance, can instead go toward a higher local match and the project can be done sooner; thus overall costs would be less. In addition, local agencies paying more towards a federal fund match already occurs in Oakland County, as cities like Troy act as the lead agency and pay the Road Commission for Oakland County's share under these circumstances. This has allowed Troy to reconstruct and widen County roads much sooner than if we had waited for the County to do the project themselves. Our primary example is the widening of Big Beaver Road, which made possible the construction of Somerset Collection, Troy's highest taxpayer. Troy also shares in the cost of County administered projects, where each agency pays for 50% of the local match.

Attached to this narrative are some facts that further support the argument to allow local governmental units to pay the required 20% match for federal transportation funds if the state of Michigan is unable.

MDOT stands to lose up to \$1 billion per year due to lack of matching funds. This means that we are moving from under-investing in transportation to disinvesting in transportation. Local transportation agencies stand to lose \$204 million per year due to the state's inability to match local road funds. As it is, the current funding of Michigan's transportation network is insufficient.

In closing, please know that the one choice that we cannot afford to make is to do nothing. I firmly believe that the future of the State's economic sustainability lies in great part with the ability to secure federal transportation funding.

I will be happy to answer any questions that you have.

Very truly yours,

John Szlerag

City Manager

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## **Michigan Road Facts**

- Michigan's system of more than 120,000 miles of public roads is:
  - 8<sup>th</sup> largest in the nation
  - 28<sup>th</sup> largest state highway system
- Michigan's local roads are the nation's:
  - 6<sup>th</sup> largest city street system (21,247 miles as of 2010)
  - 4<sup>th</sup> largest county road system (90,208 miles as of 2010)
  - Accounts for approximately 92% of road mileage in Michigan
- MDOT accounts for only 8.1% of centerline miles, but:
  - Carries 53% of all traffic
  - Carries 70% of commercial truck traffic
- Act 51 provides for distribution of state-collected road funds through the Michigan Transportation Fund (MTF). According to the formula:
  - Money is first taken off the top of the MTF for a number of items including the bridge fund and transit
    - Then 39.1% goes to MDOT;
    - 39.1% goes to county road commissions; and
    - 21.8% goes to cities and villages
- Over 1/3 of Michigan's roads are in poor or mediocre condition
- US truckers rate Michigan roads as 3<sup>rd</sup> worst in the country (Highway Report Card Survey 2007)
- Congestion of urban area roads ranks 8<sup>th</sup> worst
- Annual vehicle travel in Michigan has increased by 28% (1990-2005)
- Michigan has ranked among the bottom 10 states in per-capita state and local road funding for more than 40 years
- Michigan's road funding has been declining, in real dollars, for the last 18 months, following nearly a decade of stagnant revenues

- The costs associated with constructing and maintaining roads are increasing dramatically
- Road agencies cannot keep pace with the deterioration of its rapidly aging infrastructure
- As vehicles become more fuel efficient, less and less revenue per mile of travel will be generated
- National rankings from the 2007 Annual Report on the Performance of State Highway Systems (Reason Foundation)
  - 8<sup>th</sup> worst road system based on overall performance
  - 4<sup>th</sup> worst rural interstate conditions
  - 8<sup>th</sup> worst urban interstate conditions
  - 8<sup>th</sup> in the nation in congested roads in urbanized areas
  - 6<sup>th</sup> in the nation in the total cost of road miles needed
- Data published by The Road Information Program (TRIP)
  - 38% of Michigan's roads are rated in poor or mediocre condition
  - 25% of the state's bridges are either structurally deficient or functionally obsolete
  - Average one-way commute time increased 15% between 1990 and 2000 (works out to an additional three working days per year)
  - By 2030, unless additional roadway capacity is added, rush hour travel in the Detroit, Lansing and Grand Rapids areas will take significantly longer to complete than during non-rush hour, up to 50% longer
  - Driving on poor roads costs each Michigan motorist approximately \$400 - \$500 annually or \$2.6 billion per year statewide
  - Driving on congested roads costs the average urban Michigan motorist an annual amount from \$300 in Grand Rapids to nearly \$1,000 in Detroit or \$2.3 billion per year statewide
  - Roads that lack sufficient lanes, sharp curves, inadequately designed intersections or interchanges or lack updated safety features contribute to 1/3 of all traffic crashes in Michigan
  - Traffic crashes and fatalities in which roadway design is an important factor cost Michigan motorists \$2.1 billion annually or approximately \$250 per motorist